

AGENDA
EXECUTIVE FINANCE COMMITTEE
January 25, 2017 at 1:30 P.M.

Location: Treasury Conference Room, KC Admin. Bldg., Room 610 (6th Floor)

Committee Members: Councilmember Dave Upthegrove, Chair, Dwight Dively, Director PSB; Ken Guy, Director FBOD; Caroline Whalen, County Administrative Officer

Staff: Scott Matheson, Treasury Operations Manager; Mike Smith, Chief Investment Officer; Christine Denis, Credit Analyst; Manny Cristobal, Financial Accounting Supervisor

AGENDA ITEMS

1. **Action:** Approval of Minutes of the December 7, 2016 Executive Finance Committee meeting (pages 2-3)
2. **Action:** Approval of the “Official Intent” motion concerning the issuance of bonds in an aggregate principal amount of \$11,600,000 for the various Projects listed in the motions. (page 4)
Nigel Lewis, Senior Debt Analyst
3. **Briefing:** Quarterly portfolio review of the King County Investment Pool by PFM (Handout)
John W. Molloy, CFA, Managing Director, PFM
4. **Briefing:** Long-term Investment Option - Update (pages 5-14)
Mike Smith, Chief Investment Officer
5. **Briefing:** December 2016 Investment Summary
 - Issuer Diversification , Credit Exposure and Compliance Report (page 15)
 - King County Investment Pool Yield & Duration versus Custom Benchmark (page 16)
 - Detailed Transaction Report - Investment Activity Summary (page 17)
 - King County Investment Pool Asset Allocation (page 18)
 - King County Investment Pool Maturity Distribution (page 19)
 - Investment Performance Review & Impaired Pool Summary (pages 20-27)
 - Interest Rate Summary (page 28)*Mike Smith, Chief Investment Officer*
6. **Action:** Committee’s direction for investment of idle cash balances of specific County funds not needed for immediate expenditure.

Staff Recommendation: Direct the Treasury Section to target the maximum average duration of the King County Investment Pool at the 0.8 to 1.3 year range.

Mike Smith, Chief Investment Officer
7. **Briefing:** Interfund Borrowing for December 2016 (page 29)
 - Interfund Interest Report – County Tier 2 Funds
 - Pooled Tier 1 County Funds with Negative Cash Balances
 - Excluded County Funds with Negative Balances – Tier 2 Funds Not Paying Interest*Manny Cristobal, Financial Accounting Supervisor*
 - Interfund Loans Among District & Non-County Funds (Not available)
 - Interfund Borrowings – EFC Approved Loans (page 30)*Mike Smith, Chief Investment Officer*

OTHER BUSINESS

ADJOURNMENT

MINUTES
EXECUTIVE FINANCE COMMITTEE
December 7, 2016

The Executive Finance Committee (EFC) Meeting was held December 7, 2016 at 1:30 and adjourned at 2:40 p.m.

Members Present

Dave Upthegrove
Dwight Dively
Caroline Whalen
Ken Guy

Others Present

Patrick Hamacher
Jeff Muhn
Eric Christensen
Hanh Mai
Michael Gedeon
Anthony Wright
Dave Preugschat
Alex Yoon
Drew Ponds
Nigel Lewis
Cheryl Lee

Others Present -

Continued

Elissa Benson
Sid Bender
Mike Smith
Christine Denis
Scott Matheson
Peggy Pahl
Jennifer Merkel
Manny Cristobal

Members Absent

ACTION ITEMS

1. **Minutes** – The Committee unanimously approved the Minutes of the October 26, 2016 Executive Finance Committee meeting.
2. **Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code)** – The Committee unanimously approved the interfund loan request for the Long Term Lease Fund 3310. An Automated Interest loan for up to \$2 million was approved starting December 1, 2016 with a repayment date of December 31, 2023. The loan will be repaid from revenues collected from rate payers through streamlined rates.
3. **Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code)** – The Committee unanimously approved the interfund loan requests for the County Road Major Maintenance Fund 3855 for up to \$8 million and for the Road Construction Fund 3865 for up to \$2 million. Both loans were approved with a start date of January 1, 2017 with are payment date of December 31, 2018. The loans will be repaid from tax receipts, grant reimbursements, and other revenue sources.
4. **Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code)** – The Committee approved the request from the Public Health Fund 1800 to decrease the limit of its interfund loan from \$40 million to \$15 million, and the loan repayment date was extended to December 31, 2017. The new loan terms are effective January 1, 2017. The loan will be repaid from grant billings and, if approved, proceeds from real estate holdings no longer needed by the department. It was also noted that it may be 3 to 4 years before the fund achieved a positive cash balance.
5. **“Official Intent” Motion** – The Committee unanimously approved the motion documenting the County’s intent to obtain financing for the public defense legal settlement. The County reasonably expects to incur indebtedness and to issue bonds in a maximum aggregate principal amount of \$10,500,000 for all or a portion of the costs of the project and, prior to the issuance of the obligations, to fund all or a portion of the costs of the settlement through the current cash balance available in the Risk Abatement Fund 1396.
6. **Interfund Loan of Surplus King County Cash (Chapter 4.24 of KC Code)** – The Committee unanimously approved the interfund loan request for the Risk Abatement Fund 1396. An Automated Interest loan for up to \$10.5 million was approved starting December 2016 with a repayment date of June 30, 2017. The loan will be repaid from bond proceeds. It was also noted that the loan amount may need to be modified in the future depending on the outcome of the appeals process.
7. **“Official Intent” Motion** – The Committee unanimously approved the motion documenting the County’s intent to defeasance all \$7,705,000 of the 2010E Bonds and that it be treated as an anticipatory remedial action with respect to the deliberate action resulting from the expected transfer of use and ownership of a portion of the Data Center to the nongovernmental owner of the Sabey Facility.
8. **Loaning Fund Identification** – The Committee unanimously approved the request from the Chief Accountant to designate the Safety & Workers’ Compensation Fund 5420 as the lending fund for any EFC approved loans from

surplus King County cash outstanding on December 31, 2016. The loans will be recorded as adjustments in the County's Financial Statements as of December 31, 2016 and will have no impact on interest distributions.

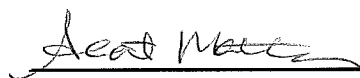
9. **Credit List Clarification** – The Committee unanimously approved the motion to authorize the investment team to purchase commercial paper and other approved investment types for any issuer on the approved credit list.
10. **Investment Direction** – The Committee unanimously approved the Treasury recommendation to maintain the maximum effective duration of the King County Investment Pool in the 0.8 to 1.3 year range.

BRIEFINGS

1. **Long-term Investment Option** – The Committee was briefed that the investment team was preparing an updated draft of the Long-term Investment Option that would incorporate some of the suggestions gathered from Investment Pool Advisory Committee (IPAC) members and from the survey of pool participants. A new draft of the policy will be presented to the Committee and to the IPAC at a future meeting.
2. **October 2016 Investment Summary** – The Committee was provided a summary report showing the pool was in compliance with all its policies, reviewed investment performance, and monthly investment activity. In addition, the Committee reviewed the distribution of investment holdings by maturity, security type, credit rating, and issuer. The Committee was updated on the payments received from the VFNC Trust investment. Committee was also briefed on the current interest rate and economic environment.
3. **October 2016 Interfund Borrowing** – The Committee was provided a review of both County and non-county interfund borrowing.

OTHER BUSINESS

None



Scott Matheson, Treasury Manager

EXECUTIVE FINANCE COMMITTEE
“OFFICIAL INTENT” REIMBURSEMENT MOTION

King County, Washington (the “County”) has determined to undertake the following projects (collectively the “Projects”):

- the FMD Asset Management System Project;
- the Jail Management System Project;
- the Elections Tabulation Project;
- the Bow Lake Lighting Project;
- the Parks Lighting Project;
- the Parks Solar Project;
- the Fleet Renton Lighting Project;
- the Courthouse, Admin and Chinook Stairwell Lighting Upgrades Project;
- the MRJC Garage Lighting LED Upgrades Project;
- the Goat Hill Garage Lighting LED Upgrades Project;
- the MRJC Lighting LED Upgrades (Pod) Project; and
- the Installation of Low Flow Faucets at MRJC Project.

The County reasonably expects to incur indebtedness and to issue bonds in a maximum aggregate principal amount of \$11,600,000 (the “Obligations”) to obtain financing for all or a portion of the costs of the Projects and, prior to the issuance of the Obligations, to fund all or a portion of the costs of the Projects through either available cash balances or one or more interfund loans.

NOW THEREFORE, on motion duly made and adopted, the Executive Finance Committee declares it to be the official intent of the County, for the purpose of complying with the applicable provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder with respect to qualification of reimbursement allocations as expenditures of Obligation proceeds, that capital expenditures in furtherance of the Projects made by the County from either available cash balances or interfund loans obtained prior to the issuance of the Obligations are made with the intent that such expenditures shall be reimbursed from the proceeds of the Obligations, when issued.

**FINANCE AND BUSINESS OPERATIONS DIVISION
KING COUNTY
STATEMENT OF INVESTMENT POLICY**

SCHEDULE VIII

Pool-Plus – Long-Term Investment Option

Purpose

This policy is adopted by King County's Executive Finance Committee (EFC) to address the circumstances under which County agencies or districts can invest funds beyond the maximum maturity limit established for the King County Investment Pool (KCIP). There are circumstances where the investment horizon of the KCIP is not aligned with the long-term investment horizon of the agency or district. This policy provides an investment option that allows a participant in the KCIP to request the County to combine a portfolio of individual long-term securities in the same fund that is invested in the KCIP (RCW 36.29.022). The pooling of the long-term portfolio with the KCIP provides the ability to invest at durations longer than the KCIP, while maintaining access to the liquidity of the KCIP. The Pool-Plus program will allow qualifying funds to invest over longer durations recognizing there are: (1) potential risks such as increased price volatility and the possibility of selling securities before maturity to pay unexpected expenditures could result in a loss of principal; (2) benefits from reducing reinvestment[†] risk which improves the predictability of future budget revenue; (3) and potential rewards such as increased earnings.

Goals

The policy is intended to serve the following goals others:

- Provide an investment option for funds with investment horizons far beyond the maximum maturity limit of the pool.
- Minimize credit risk exposure that long-term investments outside the KCIP will face.
- Minimize the possibility of negative financial impacts on current pool participants.
- Ensure that a fund requesting to invest in long-term investments outside the pool understands, and accepts, the greater price volatility that is inherent in longer term investments.
- Minimize any operational burden that would distract the investment team from its primary mission of managing the investment pool.

Eligibility Criteria

1. County agencies and districts wishing to participate in the Pool-Plus program must complete the appropriate application. (See Appendix 1 for districts and Appendix 2 for County agencies.)
2. Only County agencies or district funds for which the County serves as *ex officio* treasurer are eligible.
3. Funds that are short-term in nature will not be eligible. Some examples of short-term funds that would generally not be eligible include operating funds, general funds, current expense funds, funds subject to IRS “arbitrage rebate” rules, etc.
4. Funds must have investment horizons that extend beyond 5 years, and the possibility of having to sell investments prior to maturity must be extremely unlikely. This ensures that the purpose is to minimize reinvestment risk and not to assume higher risk levels in the sole hope of capturing higher yields by assuming greater market risk.
5. To minimize the operational burden on the investment team, funds must have at least \$5 million available for investment outside of the reserve that will be maintained in the KCIP. However, when more than 75% of the available funds are designated for the KCIP, the combined duration becomes closer to the KCIP’s, and this may result in the fund not being approved for the Pool-Plus program because the goal of investing for a longer time horizon than the KCIP’s is not being satisfied, and the work load for the investment team is increased.
6. To protect the soundness of the KCIP, the EFC must approve all applications to participate in the Pool-Plus program and validate that the requesting fund has a true business need to participate in the Pool-Plus program. The EFC must also approve any significant changes to the applicant’s investment plans, and any termination requests. This reduces the likelihood that a Pool-Plus participant can harm other KCIP participants by moving money out of the KCIP when the KCIP rate is low and then moving the funds back when it is high. An application from a fund that has previously terminated its participation in the Pool-Plus program, and then reapplies, can expect its request to receive additional scrutiny.

Eligible Securities

The KCIP will be used for the liquidity portion of the portfolio, while the following investment types will be used for the longer term investments:

- A. U.S. Treasuries or securities with full faith and credit of the U.S. government backing them.
- B. Senior debt obligations issued by U.S. agencies, instrumentalities, or government-sponsored enterprises such as Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), and Federal Home Loan Mortgage Corporation (FHLMC). While these agencies have credit ratings equivalent to the U.S. government, they are not explicitly guaranteed by the U.S. government. Financial market participants view them as having an “implied guarantee” because these agencies were chartered by Congress.

The investment team will be responsible for selecting the mix of securities between U.S Treasury and agency securities. However, the fund's management and governing body may request that only U.S. Treasury securities be purchased.

The investment team will limit purchases to the above sectors because they have extremely low levels of credit risk and trade in liquid markets. The investment team will also not purchase securities with prepayment risk like mortgage-backed or callable securities. Since longer term securities that have a higher exposure to market risk from changes in interest rates, compounding the risk exposure by adding credit and prepayment risk is not the best option for a passive, long-term strategy.

Investment Strategy

The investment strategy for a fund approved for the Pool-Plus program will consist of two parts: The KCIP and the longer term investments. The KCIP will hold any reserve that will be used for liquidity or as an extra cushion to reduce the probability that a longer term security would have to be sold before maturity.

Two investment options will be offered for the long-term investment program. Option 1 is a 10-year ladder strategy. A 10-year bond ladder will generally consist of 10 fixed-income securities of equal size invested with maturities from 1 to 10 years. The investment team will attempt to keep the average maturity of funds using Option 1 between 4 and 6 years.

Example: A pool participant has a reserve fund with \$20 million that will be used to replace infrastructure. They expect the expenditure will take place in 40 years. However, there is also a possibility that a natural disaster or unexpected event might cause them to have to spend funds before then. Their management and governing body decides to maintain a liquidity/contingency balance of \$10 million in the KCIP. This would leave \$10 million for the bond ladder. The example below shows how this ladder strategy would look.

Year	Amount Invested
1	\$1 million
2	\$1 million
3	\$1 million
4	\$1 million
5	\$1 million
6	\$1 million
7	\$1 million
8	\$1 million
9	\$1 million
10	\$1 million
Total	10 million

With \$10 million in the KCIP and \$10 million in the ladder the average duration of this fund would be about 3 years, which is approximately 3 times greater than the KCIP's usual duration.

Option 2 will be available for funds that have \$25 million or more and that believe Option 1 does not adequately meet its investment objectives. If the investment team concurs that Option 1 is not workable for the fund, they will work with fund to develop an investment plan that better meets the unique cash flow and other objectives of the fund.

Whenever it is reasonable, the investment team will attempt to add to securities already held in its portfolios, instead of buying a new security. This will reduce the number of securities held, which will reduce safekeeping expenses. The investment team will also attempt to consolidate purchases requests from multiple entities into one trade. This will also help to reduce safekeeping and trading expenses.

Operational Features

- Adding additional monies to Option 1 and 2 after the initial investment:
 - When a security matures in the Option 1 or 2 programs new money can be added to the reinvestment of the proceeds.
 - On a quarterly basis new money can be added by emailing the request to investment.pool@kingcounty.gov. The request period is open the last 10 business days of any quarter. The investment team will compile the requests, and will place new investments usually within the first 5 business days of the new quarter (e.g., requests received in the last 10 business days of December will generally be placed in the first 5 business days of January).
 - Minimum quarterly addition is \$1 million for Option 1.
 - Minimum quarterly addition is \$5 million for Option 2.
- Communications
 - The investment team will contact participants before reinvesting the proceeds from maturing investments or when investing new money to discuss the new investment purchase.
 - If the investment team identifies an opportunity to improve or rebalance the participant's long-term portfolio, they will consult with the participant before taking any action that requires a sale before maturity.
 - Pool-Plus participants should communicate any material change in their cash flow or financial condition that could impact their ability to continue participating in the Pool-Plus program as soon as possible.
- It is expected that securities purchased under Option 1 or 2 would normally be held to maturity, but if the investment team and the Pool-Plus participant agree that a sale would be beneficial, sales will be allowable. However, if a sale would generate a realized loss, the investment team will obtain the Finance Director's approval before executing the sale.
- Coupon payments received from the laddered securities will automatically be invested into the KCIP.

- Any changes in the amount invested in the long-term portfolios must be reasonably consistent with the application originally approved by the EFC.
- King County has the right to modify the investment options available to Pool-Plus program participants when it deems it prudent to do so.
- There will be no additional fees to participate in the Pool-Plus program. The fees agreed to in the KCIP Agreement and the King County Cash Management Services Agreement Investment will apply to the invested balances in the funds that participate in the Pool-Plus program.
- All investment-related decisions and transactions will be made by those individuals designated by the Director.
- The Pool-Plus program is based on a long-term, passively managed strategy. Any attempt by a participant in the Pool-Plus program to shift dollars between the KCIP and Options 1 or 2 that appears to be harmful to the effective management of the County's investment operations will not be allowed. To protect other KCIP participants, the EFC has the power to terminate a fund's ability to participate in the Pool-Plus program with 90 days' notice to the agency or district. The agency or district may terminate this agreement with 45 days' notice.

Acceptance of Risk

Any fund that requests the ability to invest in long-term investments outside the KCIP will be required to attest that they can tolerate the price volatility associated with long duration securities. In the case of County funds, this acceptance of price risk must be approved by the fund's financial manager and by the department director. In the case of districts, an authorized person must sign the request and the district's governing board must submit a resolution attesting that they can tolerate and accept the risks associated with long-term investments.

As long as the securities are held to maturity, unrealized losses will diminish over time because the investor will receive the face amount (assuming no credit default) at maturity. However, unrealized losses may matter in certain types of funds. For instance, if a reserve fund needs to have a minimum market value and the fund falls below this level; the fund manager may have to transfer more funds to bring the fund back to its required balance. If other funds are not available to transfer in, this may cause the fund to be out of compliance with its legal commitment.

Any unrealized or realized gains/losses in a fund's investments in Option 1 or 2 of the Pool-Plus program will belong solely to that fund because those assets are the direct investments of the participant and are not assets of the KCIP. Realized and unrealized gains/losses in the KCIP will be governed by the agreements and policies that it operates under.

Being public entities, participants in Options 1 and 2 are also subject to increased reputational risk. This is the risk that government officials may lose stature if the market value of their investments falls significantly. Participants must understand that the overall length of the investments in Options 1 and 2 cause these options to have more market risk and less liquidity than the KCIP. Unrealized or realized losses could

generate extra scrutiny by the media, constituents, auditors, etc., and this could have negative consequences for the officials involved.

Those entities considering Options 1 and 2 should also be aware that the County's uses accounting practices that are consistent with Government Accounting Standard Board (GASB) accounting standards. These means that the County amortizes/accretes premiums and discounts on a monthly basis and annually marks securities to their fair market as required by GASB Statement No. 31. Those considering the Pool-Plus option should make sure their organization is comfortable with these accounting practices.

DRAFT

APPENDIX 1

DISTRICT APPLICATION POOL-PLUS OPTION PART 1

DISTRICT CONTACT INFORMATION

District name:		Date:
Contact name:	Contact title:	
Phone:	Fax:	E-mail:
District address:		
City:	ZIP code:	

FUND DETAILS

Fund name:	Fund number:
Fund type (general, capital, reserve, etc.):	
Total dollars in the fund as of the most recent month-end: \$	
Total amount available for investment with a timeframe greater than 5 years: \$	
Liquidity and contingency amount to remain invested in the King County Investment Pool (KCIP): \$	

ADDITIONAL INFORMATION (CAN BE SUBMITTED ON EXTRA SHEET)

Why does the district wish to use the Pool-Plus long-term option?

Which long-term option is the fund requesting? ☐ Option 1 (ladder) ☐ Option 2 (Custom)

Prepare long-term cash forecast showing the fund's revenue and expenditures and attach it to this application.

Are there any circumstances that might delay or reduce future revenue collections? If so, please describe.

Are there any circumstances that might accelerate or increase future expenditures? If so, please describe.

How was the amount to be retained in the KCIP determined?

What impact would an unrealized loss in the range of 3 to 15 percent have on the fund?

DISTRICT AUTHORIZED SIGNATURE (REQUESTING POOL-PLUS OPTION)

Signature:	
Print Name:	
Title:	
Date:	

Important – Please Include the Following Attachment:

- **Copy of the governing body's resolution requesting the Pool-Plus investment option from King County.**

KING COUNTY EXECUTIVE FINANCE COMMITTEE REVIEW (COUNTY USE ONLY)

Part 1 signed & resolution received? Yes <input type="checkbox"/> No <input type="checkbox"/>	Part 3 signed & resolution received? Yes <input type="checkbox"/> No <input type="checkbox"/>
Pool-Plus Option Approved by EFC? Yes <input type="checkbox"/> No <input type="checkbox"/>	Date Approved/Denied:
Copy sent to district? Yes <input type="checkbox"/> No <input type="checkbox"/>	Option approved: <input type="checkbox"/> Option 1 (ladder) <input type="checkbox"/> Option 2 (Custom)

INSTRUCTIONS

1. District completes and signs Part 1 above, and emails it to: Investment.Pool@kingcounty.gov.
2. King County completes Part 2 and returns to the district.
3. The district completes Part 3 and returns the signed document along with the governing body's resolution. Once this step is completed, the request will be brought before the EFC for their consideration. If the County does not receive a completed Part 3, the County will assume the district has dropped their request.

APPENDIX 1 (CONTINUED)
DISTRICT APPLICATION

ACKNOWLEDGEMENT AND ACCEPTANCE OF ALL RISKS

PART 2 (COMPLETED BY KING COUNTY)

DISTRICT INFORMATION

District name:	Fund Number:	Date:
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20-YEAR INTEREST RATE ANALYSIS FOR 5 AND 10 YEAR TREASURY NOTES

INTEREST RATE SHOCK ANALYSIS (RATES UP 100, 200, & 300 BASIS POINTS)

PART 3 (COMPLETED BY DISTRICT)

After relying on our own due diligence and reviewing the brief analysis prepared by King County above, the district requests EFC approval of our Pool-Plus Investment Option Application (select one): Yes ☐ No ☐

The district requests that King County buy only securities that are issued by the U.S. Treasury or are backed by the full faith and credit of the United States be purchased for the bond ladder(select one): Yes ☐ No ☐

DISTRICT AUTHORIZED SIGNATURE

Signature:

Print Name:

Title:

Date:

If "Yes" is Selected in Part 3, Please Include the Following Attachment:

- Copy of the governing body's resolution acknowledging that the district is relying on its own due diligence and has reviewed the information provided by King County in Part 2 above and that it agrees to abide by the policies for the Pool-plus Option. The resolution must also state that the district accepts the market risk and the risk that the district could experience an actual loss or principal if it must sell an investment before maturity, and it must provide email and phone numbers for at least 2 authorized people that the investment team can contact when they have questions.

APPENDIX 2

KING COUNTY AGENCY APPLICATION POOL-PLUS OPTION PART 1

AGENCY CONTACT INFORMATION

Department & division name::		Date:
Contact name:	Contact title:	
Phone:	Fax:	E-mail:
District address:		
City:	ZIP code:	

FUND DETAILS

Fund name:	Fund number:
Fund type (general, capital, reserve, etc.):	
Total dollars in the fund as of the most recent month-end: \$	
Total amount available for investment with a timeframe greater than 5 years: \$	
Liquidity and contingency amount to remain invested in the King County Investment Pool (KCIP): \$	

ADDITIONAL INFORMATION (CAN BE SUBMITTED ON EXTRA SHEET)

Why does the agency wish to use the Pool-Plus long-term option?

Which long-term option is the fund requesting? ☐ Option 1 (ladder) ☐ Option 2 (Custom)

Prepare long-term cash forecast showing the fund's revenue and expenditures and attach it to this application.

Are there any circumstances that might delay or reduce future revenue collections? If so, please describe.

Are there any circumstances that might accelerate or increase future expenditures? If so, please describe.

How was the amount to be retained in the KCIP determined?

What impact would an unrealized loss in the range of 3 to 15 percent have on the fund?

FUND MANAGER - AUTHORIZED SIGNATURE (REQUESTING POOL-PLUS OPTION)	DEPARTMENT DIRECTOR - AUTHORIZED SIGNATURE (REQUESTING POOL PLUS OPTION)
Signature:	Signature:
Print Name:	Print Name:
Title:	Title:
Date:	Date:

KING COUNTY EXECUTIVE FINANCE COMMITTEE REVIEW (COUNTY USE ONLY)

Part 1 signed & resolution received? Yes <input type="checkbox"/> No <input type="checkbox"/>	Part 3 signed & resolution received? Yes <input type="checkbox"/> No <input type="checkbox"/>
Pool-Plus Option Approved by EFC? Yes <input type="checkbox"/> No <input type="checkbox"/>	Date Approved/Denied:
Copy sent to agency? Yes <input type="checkbox"/> No <input type="checkbox"/>	Option approved: <input type="checkbox"/> Option 1 (ladder) <input type="checkbox"/> Option 2 (Custom)

INSTRUCTIONS

1. Agency completes and signs Part 1 above, and emails it to: Investment.Pool@kingcounty.gov.
2. King County Treasury Section completes Part 2 and returns to the agency.
3. The agency completes Part 3 and returns the signed document signed by both the Fund Manager and Division Director document Director that shows that they acknowledge and accept the risks involved with the Pool-Plus option. Once this step is completed, the request will be brought before the EFC for their consideration. If the King County Treasury Section does not receive a completed Part 3, the County will assume the agency has dropped their request.

APPENDIX 2 (CONTINUED)

KING COUNTY AGENCY APPLICATION ACKNOWLEDGEMENT AND ACCEPTANCE OF ALL RISKS

PART 2 (COMPLETED BY KING COUNTY TREASURY SECTION)
AGENCY INFORMATION

Agency name:	Fund Number:	Date:
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20-YEAR INTEREST RATE ANALYSIS FOR 5 AND 10 YEAR TREASURY NOTES
INTEREST RATE SHOCK ANALYSIS (RATES UP 100, 200, & 300 BASIS POINTS)
PART 3 (COMPLETED BY AGENCY)

The agency accepts the market risk and the risk that the agency could experience an actual loss or principal if it must sell an investment before maturity. After relying on our own due diligence and reviewing the brief analysis prepared by King County Treasury Section above, the agency requests EFC approval of our Pool-Plus Investment Option Application (select one): Yes ☐ No ☐

The agency requests that King County buy only securities that are issued by the U.S. Treasury or are backed by the full faith and credit of the United States be purchased for the bond ladder (select one): Yes ☐ No ☐

The agency must also provide email and phone numbers for at least 2 authorized people that the investment team can contact when they have questions.

**FUND MANAGER - AUTHORIZED SIGNATURE
(REQUESTING POOL-PLUS OPTION)**
**DEPARTMENT DIRECTOR - AUTHORIZED SIGNATURE
(REQUESTING POOL PLUS OPTION)**

Signature:

Signature:

Print Name:

Print Name:

Title:

Title:

Date:

Date:

KING COUNTY INVESTMENT POOL
ISSUER DIVERSIFICATION, CREDIT EXPOSURE and COMPLIANCE REPORT
12/31/16

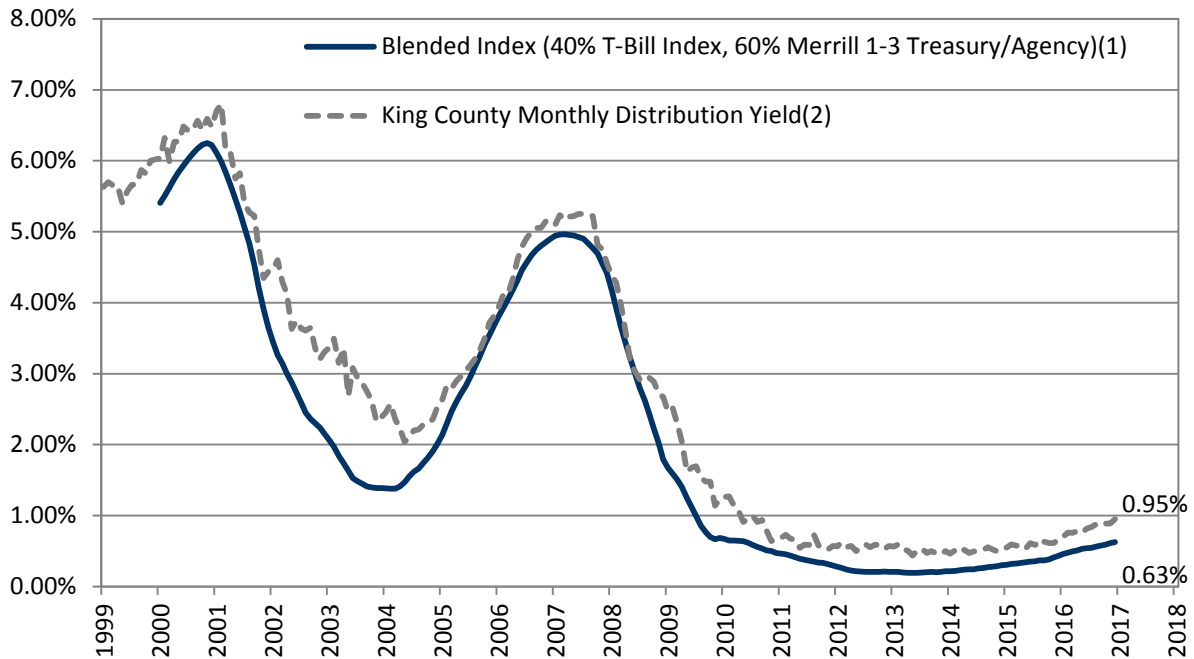
The investment pool complies with all constraints listed in Schedule 1 of the investment policy

	Book Value	% of Portfolio	Issuer Limits/Restrictions	Credit Agency Ratings		Minimum Credit Restrictions	Maximum Maturity
				S&P	Moody's		
U.S. TREASURIES		100%	NONE			NONE	5 Years
U.S. T-Bills or T-Notes	\$2,462,777,954.45	39.8%	In Compliance	AA+	Aaa	In Compliance	In Compliance
			35% per agency across investment type			NONE	5 Years
U.S. AGENCIES		100%					
		26.6%	In Compliance				
Federal Farm Credit Bank (FFCB)	\$536,720,200.27	8.7%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal National Mortgage Association (FNMA)	\$449,582,717.11	7.3%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal Home Loan Bank (FHLB)	\$314,181,559.23	5.1%	In Compliance	AA+	Aaa	In Compliance	In Compliance
Federal Home Loan Mortgage Corporation (FHLMC)	\$347,506,877.73	5.6%	In Compliance	AA+	Aaa	In Compliance	In Compliance
U.S. AGENCY MORTGAGE BACKED SECURITIES		Not to exceed 25%	35% per agency			NONE	5 Year Average Live
CMO Agencies FNMA	\$5,771,353.90	0.1%	In Compliance	AA+	Aaa	In Compliance	In Compliance
MUNICIPAL BONDS - GENERAL OBLIGATIONS		Not to exceed 20%	Not to exceed 5%			A or better	5 Years
		0.0%	In Compliance				
REPURCHASE AGREEMENTS		100.0%	Not to exceed 25% per dealer			A1/P1^{(1) (2)}	60 Days
Wells Fargo Securities, Inc. Tri-party Repo	\$100,000,000.00	1.6%	In Compliance	A-1+	N/A	In Compliance	In Compliance
REVERSE REPURCHASE AGREEMENTS		Not to exceed 20%	Not to exceed 5% per dealer			A1/P1⁽¹⁾	6 Months
		0.0%	In Compliance				
LOCAL GOVERNMENT INVESTMENT POOL		Not to exceed 25%	State of WA LGIP only			NONE	N/A
Washington State Treasurer's LGIP	\$634,558,358.17	10.3%	In Compliance	N/A	N/A		
BANKER'S ACCEPTANCES		Not to exceed 25%	5% per issuer across investment type			A1/P1⁽³⁾	180 Days
		0.0%	In Compliance				
OVERNIGHT DEPOSITS		100%	NONE			COLLATERALIZED	
	\$124,890,248.23	2.0%					
CERTIFICATES OF DEPOSIT		Not to exceed 25%	5% per issuer across investment type			NONE	1 Year
		0.0%	In Compliance				
COMMERCIAL PAPER		Not to exceed 25% combined with Corp Notes	5% per issuer across investment type			A1/P1, If >100 days A or better	270 Days
		4.0%	In Compliance				
APPLE INC	\$49,981,250.00	0.8%	In Compliance	A-1+	P-1	In Compliance	In Compliance
MICROSOFT	\$149,537,228.75	2.4%	In Compliance	A-1+	P-1	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$49,969,750.00	0.8%	In Compliance	A-1	P-1	In Compliance	In Compliance
* Purchases prior to 9/15/16 are considered grandfathered in for issuer limit purposes and can be held to maturity.							
BANK CORPORATE NOTES		Not to exceed 25% combined with CP	5% per issuer across investment type			A or better⁽³⁾	5 Years
		15.5%	In Compliance				
ROYAL BANK OF CANADA *	\$198,738,918.28	3.2%	In Compliance	AA-	Aa3	In Compliance	In Compliance
TORONTO DOMINION	\$122,690,507.68	2.0%	In Compliance	AA-	Aa1	In Compliance	In Compliance
US BANK N.A. *	\$148,412,021.14	2.4%	In Compliance	AA-	A1	In Compliance	In Compliance
BANK OF AMERICA	\$85,076,394.13	1.4%	In Compliance	A+	A1	In Compliance	In Compliance
BANK OF NOVA SCOTIA	\$54,946,381.49	0.9%	In Compliance	A+	Aa3	In Compliance	In Compliance
PNC BANK	\$104,914,447.62	1.7%	In Compliance	A	A2	In Compliance	In Compliance
WELLS FARGO BANK N.A.	\$95,823,951.07	1.5%	In Compliance	AA-	Aa2	In Compliance	In Compliance
BANK OF MONTREAL	\$121,574,299.16	2.0%	In Compliance	A+	Aa3	In Compliance	In Compliance
CANADIAN IMPERIAL BANK	\$29,995,177.00	0.5%	In Compliance	A+	Aa3	In Compliance	In Compliance
* Purchases prior to 9/15/16 are considered grandfathered in for issuer limit purposes and can be held to maturity.							
	\$6,187,649,595.41	100.0%					

ADDITIONAL PORTFOLIO LEVEL REQUIREMENTS	Actual	Status
Effective Duration Less Than 1.5 Years	1.100	In Compliance
40% of Portfolio Value 12 Months or Less	50.2%	In Compliance
Corporate Exposure Not Greater Than 50%	19.6%	In Compliance
Corp Notes & CP ≤ 25%	19.6%	In Compliance
Maximum Duration of Corp Note Portfolio ≤ 3 years	1.71	In Compliance

- (1) Must be rated by at least one nationally recognized rating agency
(2) Also backed by collateral
(3) Must be rated by at least 2 nationally recognized rating agencies

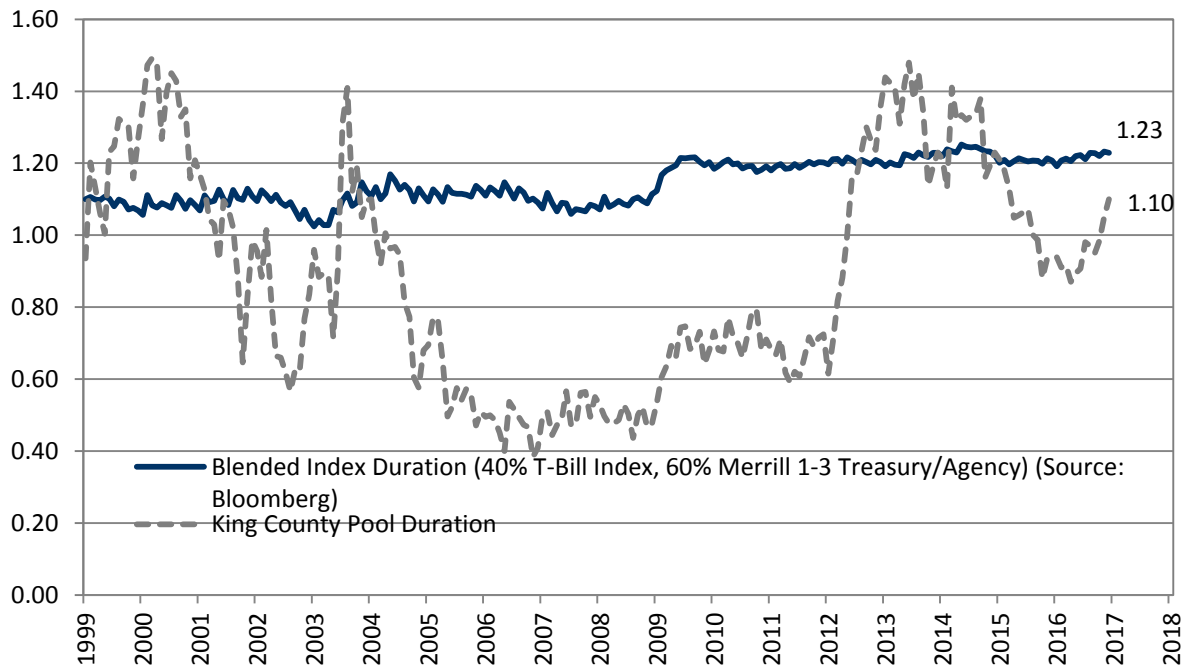
King County Monthly Distribution Yield Versus Custom Index



(1) Calculation for index return adjusted from coupon return to the 12-month moving average of the index's effective yield. (Source: Bloomberg)

(2) Does not include negative distributions from the Impaired Pool

King County Monthly Duration Versus Custom Index



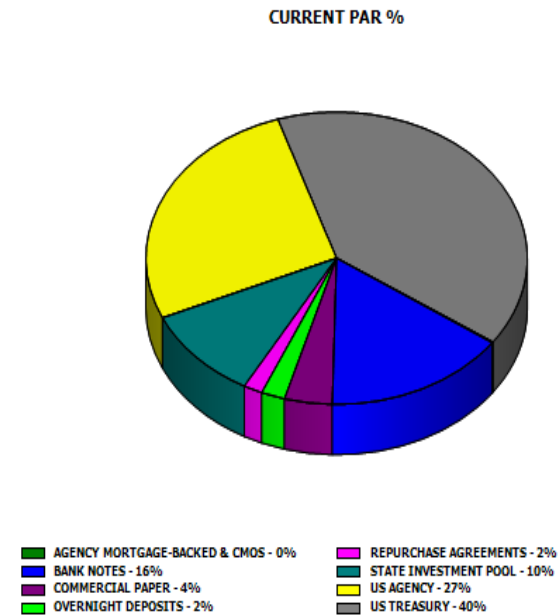
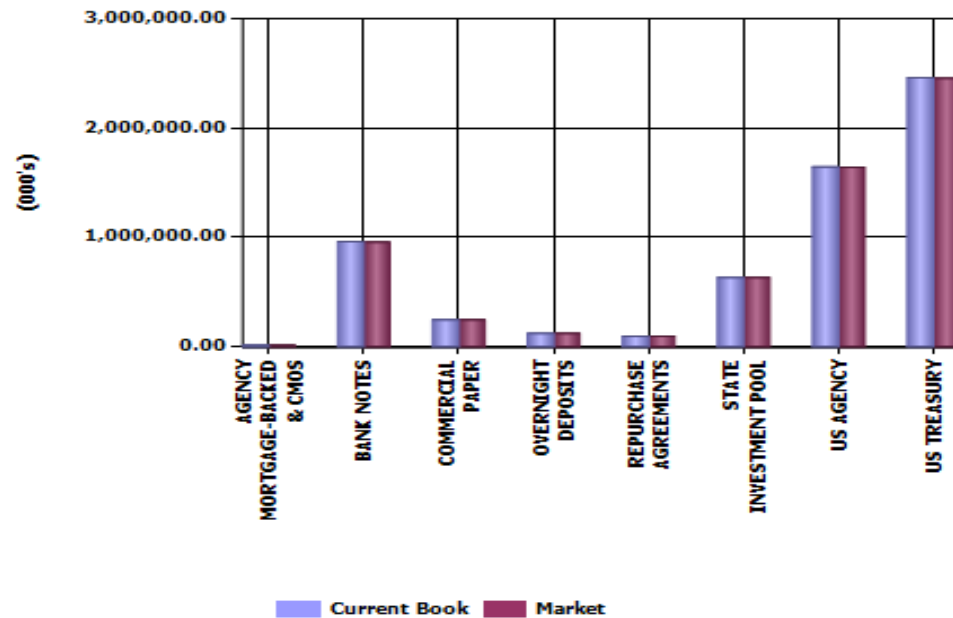


DESCRIPTION	AVG RATE	AVG PAR					
PURCHASES							
REPO	.390	63,000,000.00					
DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE	
PURCHASES							
MICROSOFT CORP	.000	04/24/2017	12/02/2016	.903	30,350,000.00	30,241,498.75	
MICROSOFT CORP	.000	03/13/2017	12/06/2016	.862	44,500,000.00	44,396,883.61	
MICROSOFT CORP	.000	04/03/2017	12/06/2016	.883	25,000,000.00	24,927,888.89	
LGIP	.501	01/01/2017	12/31/2016	.501	314,688.29	314,688.29	
TOTAL					100,164,688.29	99,880,959.54	
DESCRIPTION	COUPON	MATURITY	SETTLED	BK YLD	PAR VALUE	BOOK VALUE	GAIN/(LOSS)
SELLS							
US TREASURY NOTE	.750	01/15/2017	12/01/2016	.772	50,000,000.00	49,998,686.89	22,797.49
US TREASURY NOTE	.875	01/31/2017	12/01/2016	.810	60,000,000.00	60,006,468.43	35,719.07
LGIP	.501	01/01/2017	12/09/2016	.501	50,000,000.00	50,000,000.00	0.00
LGIP	.501	01/01/2017	12/16/2016	.501	50,000,000.00	50,000,000.00	0.00
LGIP	.501	01/01/2017	12/20/2016	.501	25,000,000.00	25,000,000.00	0.00
LGIP	.501	01/01/2017	12/21/2016	.501	50,000,000.00	50,000,000.00	0.00
LGIP	.501	01/01/2017	12/27/2016	.501	25,000,000.00	25,000,000.00	0.00
TOTAL					310,000,000.00	310,005,155.32	58,516.56



Assets (000's)	PAR	BOOK	MARKET	MKT/BK	YLD
AGENCY MORTGAGE-BACKED & CMOS	5,682.51	5,771.35	6,069.81	105.17%	4.34%
BANK NOTES	960,465.00	962,172.10	959,115.23	99.68%	1.46%
COMMERCIAL PAPER	249,850.00	249,488.23	249,504.69	100.01%	0.82%
OVERNIGHT DEPOSITS	124,890.25	124,890.25	124,890.25	100.00%	0.00%
REPURCHASE AGREEMENTS	100,000.00	100,000.00	100,000.00	100.00%	0.46%
STATE INVESTMENT POOL	634,558.36	634,558.36	634,558.36	100.00%	0.50%
US AGENCY	1,649,059.00	1,647,991.35	1,644,240.10	99.77%	0.88%
US TREASURY	2,454,000.00	2,462,777.95	2,456,510.76	99.75%	0.95%
Totals (000's):	6,178,505.12	6,187,649.60	6,174,889.20	99.79%	0.94%

ASSET ALLOCATION



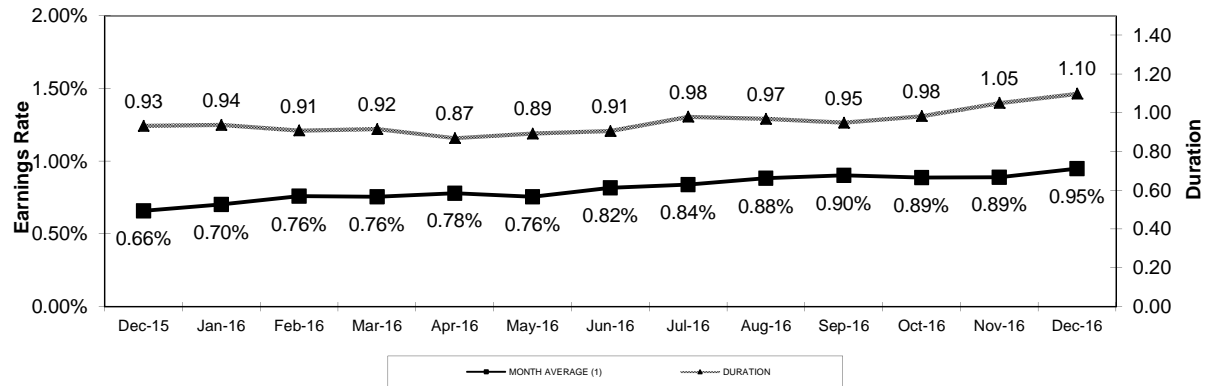
KING COUNTY INVESTMENT POOL

MATURITY DISTRIBUTION AS OF 12/31/2016

<u>CALL/MATURITY</u>	<u>DATE RANGE</u>	<u>NO OF INV</u>	<u>BOOK VALUE</u>	<u>%</u>	<u>CUM %</u>
0 TO 1 MONTHS	01/01/17 - 02/03/17	15	1,138,050,728.10	18.4%	18.4%
1 TO 3 MONTHS	02/04/17 - 03/31/17	8	573,984,911.92	9.3%	27.7%
3 TO 6 MONTHS	04/01/17 - 06/30/17	11	472,647,834.94	7.6%	35.3%
6 TO 12 MONTHS	07/01/17 - 12/31/17	23	918,862,038.07	14.8%	50.2%
12 TO 24 MONTHS	01/01/18 - 12/31/18	39	1,753,010,738.02	28.3%	78.5%
24 TO 36 MONTHS	01/01/19 - 12/31/19	24	1,225,100,466.97	19.8%	98.3%
36 TO ** MONTHS	01/01/20 -	5	105,992,877.39	1.7%	100.0%
GRAND TOTALS		125	6,187,649,595.41		

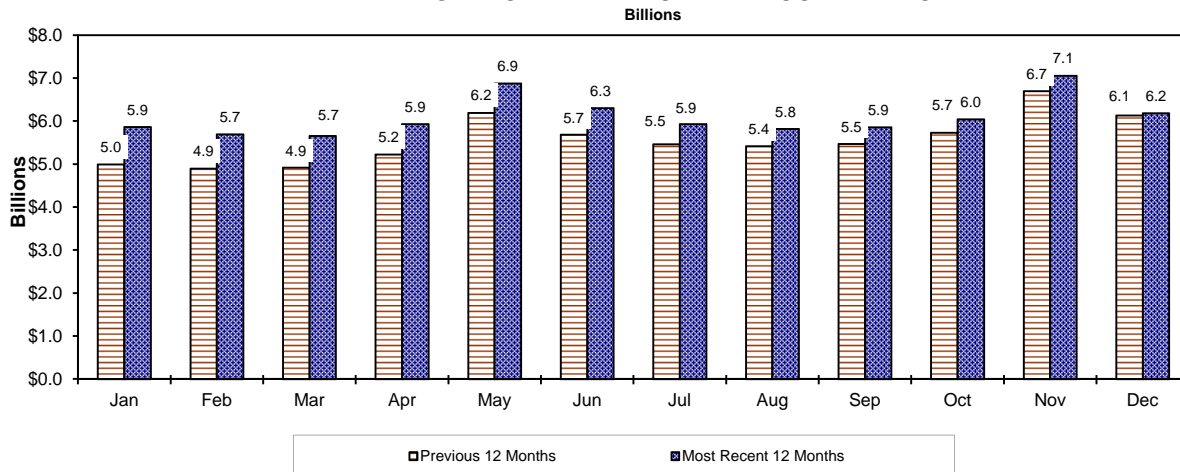
KING COUNTY INVESTMENT POOL

EARNINGS DISTRIBUTION RATE & EFFECTIVE DURATION



(1) Not adjusted yet for realized losses on commercial paper investments.

AVERAGE MONTHLY INVESTMENT POOL BALANCE



KC GENERAL FUND YTD INTEREST EARNINGS

December 31, 2016

	<u>BUDGET</u>	<u>ACTUAL</u> ⁽²⁾	<u>DIFFERENCE</u>
YTD AVG BALANCE (millions)	\$186	\$205	\$18.9
YTD YIELD	0.54%	0.82%	0.28%
INTEREST DISTRIBUTION (\$)	\$1,000,000	\$1,540,206	\$540,206
AUTOMATIC INTEREST (\$)	\$0	\$0	\$0
TOTAL INTEREST (\$)	<u>\$1,000,000</u>	<u>\$1,540,206</u>	<u>\$540,206</u>

YTD POOL FEE REVENUE

	<u>BUDGET</u>	<u>Collected</u> ^{(1) (2)}	<u>Potential Rebate</u> ⁽²⁾
DIRECT COST FEE DUE TO GF	\$600,000	\$1,261,677	\$661,677
DIRECT COST FEE TO FBOD	N/A	\$86,356	\$86,356
TOTAL YTD DIRECT POOL FEES	<u>600,000</u>	<u>1,348,033</u>	<u>\$748,033</u>
	<u>BUDGET</u>	<u>Actual</u>	<u>Difference</u>
CASH MGMT FEE TO GF	N/A	\$619,749	N/A
CASH MGMT FEE TO FBOD	N/A	\$11,270	N/A
TOTAL YTD CASH MGMT FEES	<u>N/A</u>	<u>631,019</u>	<u>N/A</u>

YTD TOTAL POOL DISTRIBUTION	\$50,641,904
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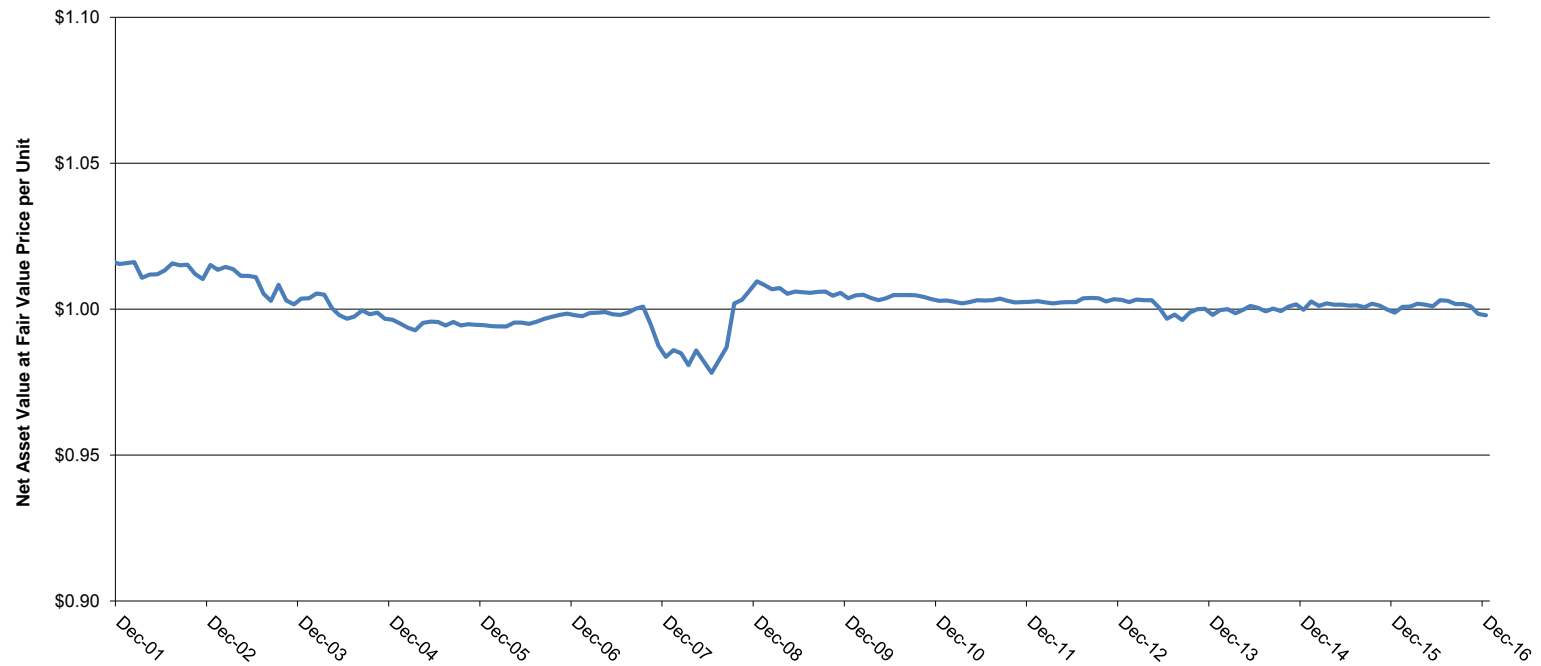
(1) Collecting 2.5 basis points for direct fees, but will rebate difference between collected and actual expenses after the fiscal year closes.

(2) November figures since December figures not available because year-end closing process for the general ledger is not complete

King County Investment Pool Fair Value Report

	10/31/16	11/30/16	12/31/16
<u>Net Assets (1)</u>			
Net Assets held in trust for pool participants	<u>\$ 7,319,242,128.93</u>	<u>\$ 6,672,638,599.62</u>	<u>\$ 6,051,203,078.93</u>
Net assets consist of:			
Participant units outstanding (\$1.00 par)	\$ 7,312,002,793.93	\$ 6,683,945,330.27	\$ 6,063,963,476.59
Undistributed and unrealized gains(losses)	<u>\$ 7,239,335.00</u>	<u>\$ (11,306,730.65)</u>	<u>\$ (12,760,397.66)</u>
Net Assets	<u>\$ 7,319,242,128.93</u>	<u>\$ 6,672,638,599.62</u>	<u>\$ 6,051,203,078.93</u>
Total Pool -- Net asset value at fair value price per unit	<u>\$1.0010</u>	<u>\$0.9983</u>	<u>\$0.9979</u>

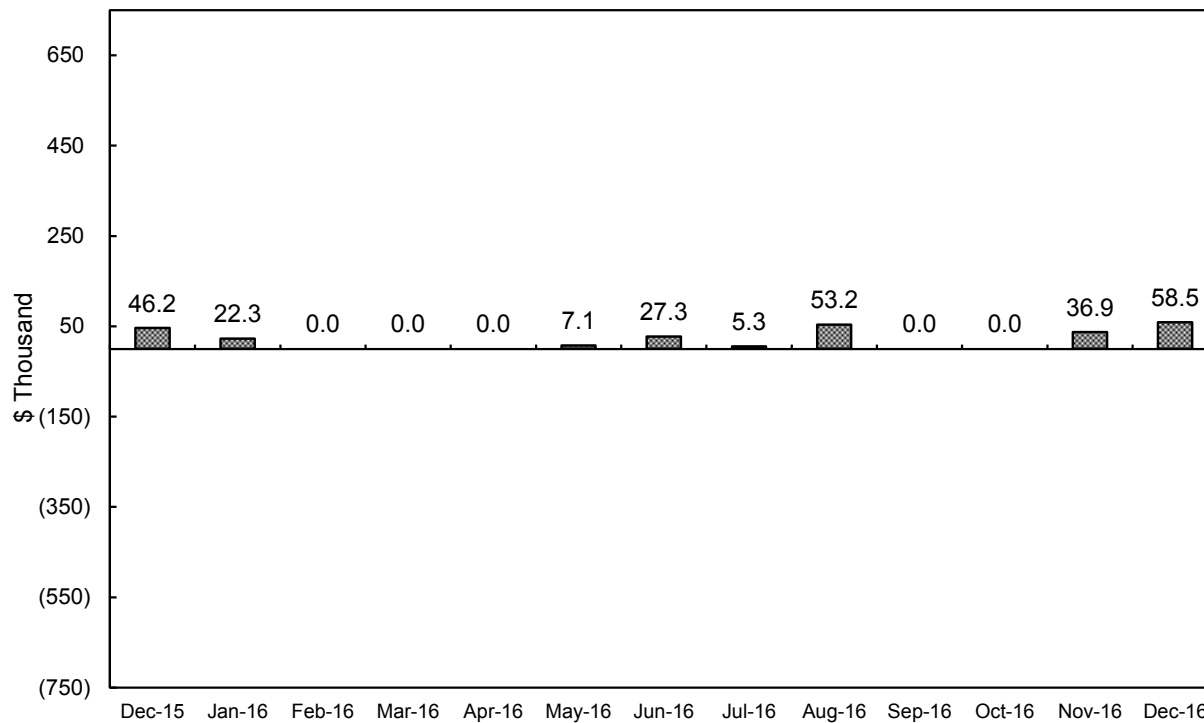
King County Investment Pool History of Fair Value per Dollar Invested (1)



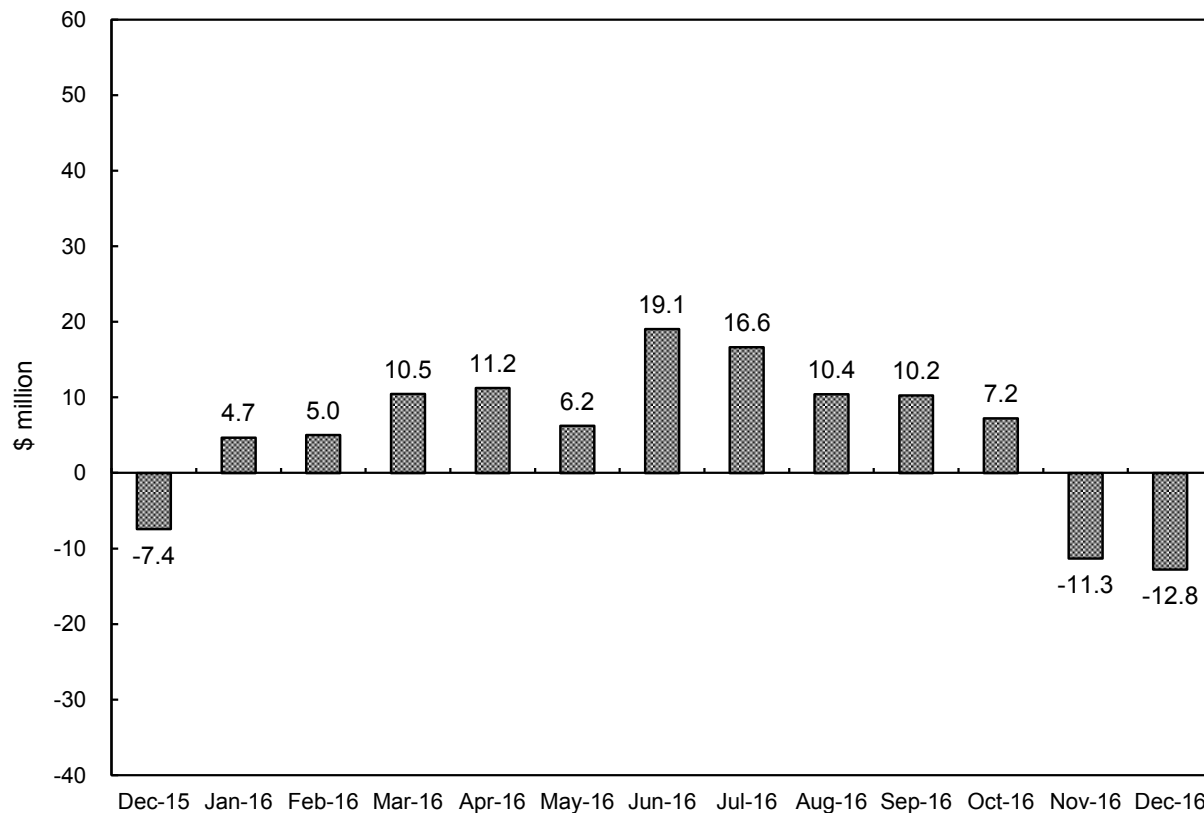
(1) Impaired securities were separated from main pool on 9/1/08

GAIN / LOSS SUMMARY

TOTAL REALIZED GAIN OR LOSS (1)



NET UNREALIZED GAIN OR LOSS (TOTAL PORTFOLIO)



(1) Excludes gains/losses from impaired CP

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 12/31/16

(MANFIN)

SORTING ORDER: MATD

PAGE: 1

RUN: 01/04/17 13:05:13

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
711	LOCAL GOVT INVESTM	.500778	.500778	01/01/17	100.000000	634,558,358.17	634,558,358.17	634,558,358.17	.00	3,177,728.97
1522	CASH-US BANK	.001000	.001000	01/01/17	100.000000	117,500,708.08	117,500,708.08	117,500,708.08	.00	1,175.01
1523	CASH-KEY BANK	.001000	.001000	01/01/17	100.000000	7,093,355.38	7,093,355.38	7,093,355.38	.00	70.93
1524	CASH-BOFA	.001000	.001000	01/01/17	100.000000	296,184.77	296,184.77	296,184.77	.00	2.96
2761	Wells Fargo Tri-Re	.460000	.460000	01/03/17	100.000000	100,000,000.00	100,000,000.00	100,000,000.00	.00	460,000.00
2463	BANK OF MONTREAL	2.500000	1.062836	01/11/17	100.024000	10,000,000.00	10,003,902.08	10,002,400.00	-1,502.08	106,283.63
2640	BANK OF MONTREAL	2.500000	.948730	01/11/17	100.024000	20,500,000.00	20,508,614.05	20,504,920.00	-3,694.05	194,489.71
2314	ROYAL BK CANADA	1.200000	1.046316	01/23/17	100.013000	7,730,000.00	7,730,706.30	7,731,004.90	298.60	80,880.22
2323	ROYAL BK CANADA	1.200000	1.076306	01/23/17	100.013000	1,697,000.00	1,697,124.70	1,697,220.61	95.91	18,264.92
2370	ROYAL BK CANADA	1.200000	.928965	01/23/17	100.013000	34,067,000.00	34,072,492.84	34,071,428.71	-1,064.13	316,470.45
2538	Bank of Nova Scoti	.000000	.997406	01/23/17	99.963333	50,000,000.00	49,969,750.00	49,981,666.50	11,916.50	498,702.87
2721	APPLE INC	.000000	.540633	01/26/17	99.958333	50,000,000.00	49,981,250.00	49,979,166.50	-2,083.50	270,316.27
2534	PNC BANK NA CALLAB	1.125000	1.125000	12/28/16C	100.007000	11,944,000.00	11,944,000.00	11,944,836.08	836.08	134,370.00
2569	PNC BANK NA CALLAB	1.125000	1.125000	12/28/16C	100.007000	42,675,000.00	42,675,000.00	42,677,987.25	2,987.25	480,093.75
1497	Fannie Mae	1.250000	.756002	01/30/17	100.047000	50,000,000.00	50,019,281.73	50,023,500.00	4,218.27	378,000.93
2227	BANK OF AMERICA	1.250000	1.188753	02/14/17	100.006000	40,000,000.00	40,002,890.82	40,002,400.00	-490.82	475,501.23
1757	US TREASURY NOTE	.625000	.901704	02/15/17	100.024000	50,000,000.00	49,983,219.37	50,012,000.00	28,780.63	450,851.94
1756	US TREASURY NOTE	.875000	.922329	02/28/17	100.067000	50,000,000.00	49,996,298.00	50,033,500.00	37,202.00	461,164.33
2546	FFCB DISCOUNT NT	.000000	.592964	03/03/17	99.915000	140,000,000.00	139,860,038.89	139,881,000.00	20,961.11	830,149.60
2743	MICROSOFT CORP	.000000	.861997	03/13/17	99.861944	44,500,000.00	44,424,523.05	44,438,565.08	14,042.03	383,588.86
2543	FHLB DISCOUNT NT	.000000	.613472	03/29/17	99.877000	150,000,000.00	149,778,875.00	149,815,500.00	36,625.00	920,207.87
2685	MICROSOFT CORP	.000000	.783020	03/30/17	99.828889	50,000,000.00	49,904,666.67	49,914,444.50	9,777.83	391,509.92
1414	US TREASURY NOTE	1.000000	.712736	03/31/17	100.124000	50,000,000.00	50,034,400.12	50,062,000.00	27,599.88	356,368.14
2744	MICROSOFT CORP	.000000	.882546	04/03/17	99.744444	25,000,000.00	24,943,777.78	24,936,111.00	-7,666.78	220,636.41
2542	FFCB DISCOUNT NOTE	.000000	.623717	04/10/17	99.852000	100,000,000.00	99,829,500.01	99,852,000.00	22,499.99	623,716.66
2740	MICROSOFT CORP	.000000	.903229	04/24/17	99.686111	30,350,000.00	30,264,261.25	30,254,734.69	-9,526.56	274,130.01
1765	US TREASURY NOTE	.875000	.974227	04/30/17	100.114000	50,000,000.00	49,984,106.15	50,057,000.00	72,893.85	487,113.30
2263	TORONTO DOMINION B	1.125000	1.058958	05/02/17	99.993000	18,200,000.00	18,203,918.04	18,198,726.00	-5,192.04	192,730.38
1766	US TREASURY NOTE	.625000	1.018173	05/31/17	100.008000	50,000,000.00	49,920,743.98	50,004,000.00	83,256.02	509,086.45
2424	US TREASURY NOTE	2.750000	.884130	05/31/17	100.867000	50,000,000.00	50,379,753.82	50,433,500.00	53,746.18	442,065.22
1609	FHLMC BULLET	1.000000	.977087	06/29/17	100.154000	23,778,000.00	23,780,608.46	23,814,618.12	34,009.66	232,331.75
1613	FHLMC BULLET	1.000000	.963425	06/29/17	100.154000	25,000,000.00	25,004,384.63	25,038,500.00	34,115.37	240,856.13
1734	US TREASURY NOTE	.750000	.950970	06/30/17	100.051000	50,000,000.00	49,951,317.64	50,025,500.00	74,182.36	475,485.12
2423	US TREASURY NOTE	2.500000	.923011	06/30/17	100.906000	50,000,000.00	50,385,463.18	50,453,000.00	67,536.82	461,505.26
2371	BANK OF MONTREAL C	1.300000	1.083873	06/14/17C	100.041000	5,560,000.00	5,565,593.64	5,562,279.60	-3,314.04	60,263.35
1369	FREDDIE MAC CALLAB	1.000000	1.022914	07/25/14C	100.132000	50,000,000.00	49,994,900.04	50,066,000.00	71,099.96	511,456.96
2658	FFCB DISCOUNT NOTE	.000000	.643777	07/27/17	99.670000	51,500,000.00	51,310,480.00	51,330,050.00	19,570.00	331,545.06
1572	US Treasury Note	.500000	.595581	07/31/17	99.898000	50,000,000.00	49,972,757.52	49,949,000.00	-23,757.52	297,790.25
1573	US Treasury Note	.625000	.610249	08/31/17	99.922000	50,000,000.00	50,004,804.63	49,961,000.00	-43,804.63	305,124.36
1745	US TREASURY NOTE	.625000	1.000148	08/31/17	99.922000	50,000,000.00	49,878,277.91	49,961,000.00	82,722.09	500,073.95
1628	Federal Farm Credi	1.125000	1.125000	09/05/17	100.158000	34,900,000.00	34,900,000.00	34,955,142.00	55,142.00	392,625.00
1406	FED HOME LN BANK	.750000	.916458	09/08/17	99.951000	18,980,000.00	18,958,893.37	18,970,699.80	11,806.43	173,943.73

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

PORTFOLIO DETAIL FINANCIAL ANALYSIS
AS OF 12/31/16

(MANFIN)

PAGE: 2

SORTING ORDER: MATD

RUN: 01/04/17 13:05:13

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME
1408	FED HOME LN BANK	.750000	.914838	09/08/17	99.951000	26,415,000.00	26,385,909.40	26,402,056.65	16,147.25	241,654.38
2191	US BANK NA OHIO CA	1.375000	1.087077	08/11/17C	100.080000	25,000,000.00	25,044,573.22	25,020,000.00	-24,573.22	271,769.24
2240	US BANK NA CALLABL	1.375000	1.251635	08/11/17C	100.080000	15,000,000.00	15,011,453.52	15,012,000.00	546.48	187,745.25
1614	FFCB BULLET	1.550000	1.098833	09/18/17	100.519000	19,200,000.00	19,260,164.52	19,299,648.00	39,483.48	210,975.84
1416	Fannie Mae Callabl	1.000000	1.002055	09/20/13C	100.088000	50,000,000.00	49,999,514.24	50,044,000.00	44,485.76	501,027.27
1724	US TREASURY NOTE	.625000	1.025357	09/30/17	99.859000	50,000,000.00	49,854,038.77	49,929,500.00	75,461.23	512,678.56
1744	US TREASURY NOTE	.625000	1.034441	09/30/17	99.859000	50,000,000.00	49,850,740.13	49,929,500.00	78,759.87	517,220.54
1615	FHLE BULLET	1.500000	1.134972	10/10/17	100.480000	32,950,000.00	33,040,531.51	33,108,160.00	67,628.49	373,973.38
2334	ROYAL BK CANADA	1.400000	1.403863	10/13/17	99.992000	15,000,000.00	14,999,543.40	14,998,800.00	-743.40	210,579.45
1411	FANNIE MAE	.875000	.919048	10/26/17	100.014000	50,000,000.00	49,982,475.36	50,007,000.00	24,524.64	459,523.96
2318	US TREASURY NOTE	.875000	.893174	11/15/17	100.004000	50,000,000.00	49,992,148.00	50,002,000.00	9,852.00	446,587.06
2478	US Treasury Note	.625000	.802706	11/30/17	99.766000	100,000,000.00	99,839,434.81	99,766,000.00	-73,434.81	802,706.40
2320	US TREASURY NOTE	1.000000	.906428	12/15/17	100.106000	50,000,000.00	50,043,931.01	50,053,000.00	9,068.99	453,214.00
2276	BANK NOVA SCOTIA C	1.375000	1.499982	11/18/17C	99.956000	25,000,000.00	24,970,615.81	24,989,000.00	18,384.19	374,995.62
1467	FANNIE MAE	.875000	.872335	12/20/17	99.945000	50,000,000.00	50,001,257.26	49,972,500.00	-28,757.26	436,167.35
2321	US TREASURY NOTE	.875000	.931048	01/15/18	99.953000	50,000,000.00	49,971,295.24	49,976,500.00	5,204.76	465,524.21
2712	FED FARM CREDIT	.720000	.760002	01/16/18	99.613000	43,635,000.00	43,616,993.16	43,466,132.55	-150,860.61	331,626.80
2564	WELLS FARGO BANK	1.650000	1.343175	01/22/18	99.997000	20,000,000.00	20,063,718.62	19,999,400.00	-64,318.62	268,634.99
2103	US Bank NA Callab	1.350000	1.312034	12/26/17C	99.826000	11,500,000.00	11,504,314.54	11,479,990.00	-24,324.54	150,883.87
2120	US BANK NA OHIO CA	1.350000	1.248811	12/26/17C	99.826000	27,225,000.00	27,252,233.69	27,177,628.50	-74,605.19	339,988.86
2643	US BANK NA OHIO CA	1.350000	1.006628	12/26/17C	99.826000	24,462,000.00	24,548,758.39	24,419,436.12	-129,322.27	246,241.35
2180	US TREASURY NOTE	1.000000	.838724	02/15/18	100.035000	65,000,000.00	65,115,894.35	65,022,750.00	-93,144.35	545,170.58
2382	US TREASURY NOTE	.750000	.883732	02/28/18	99.766000	50,000,000.00	49,923,394.89	49,883,000.00	-40,394.89	441,865.77
2185	FED HOME LN BANK	1.375000	.994011	03/09/18	100.358000	50,800,000.00	51,025,068.52	50,981,864.00	-43,204.52	504,957.77
2389	US Treasury Note	1.000000	.916246	03/15/18	100.047000	50,000,000.00	50,049,563.67	50,023,500.00	-26,063.67	458,122.80
2164	BANK OF AMERICA	1.650000	1.518078	03/26/18	100.093000	25,000,000.00	25,039,481.78	25,023,250.00	-16,231.78	379,519.53
2165	BANK OF AMERICA	1.650000	1.507939	03/26/18	100.093000	20,000,000.00	20,034,021.53	20,018,600.00	-15,421.53	301,587.79
2531	US Treasury Note	.875000	.809877	03/31/18	99.871000	100,000,000.00	100,080,155.38	99,871,000.00	-209,155.38	809,876.86
2654	US TREASURY NOTE	2.875000	.810066	03/31/18	102.348000	50,000,000.00	51,274,179.63	51,174,000.00	-100,179.63	405,033.13
2264	BANK OF MONTREAL C	1.450000	1.593072	03/09/18C	99.764000	15,376,000.00	15,348,784.18	15,339,712.64	-9,071.54	244,950.69
2390	US Treasury Note	.750000	.945737	04/15/18	99.691000	50,000,000.00	49,876,020.24	49,845,500.00	-30,520.24	472,868.67
2516	FED FARM CREDIT	.750000	.818121	04/18/18	99.243000	50,000,000.00	49,956,391.30	49,621,500.00	-334,891.30	409,060.27
2381	US TREASURY NOTE	.625000	.924096	04/30/18	99.512000	50,000,000.00	49,804,310.98	49,756,000.00	-48,310.98	462,047.79
2393	US TREASURY NOTE	1.000000	1.040797	05/15/18	99.965000	50,000,000.00	49,972,516.45	49,982,500.00	9,983.55	520,398.33
1577	Freddie Mac Callab	.950000	1.036413	05/22/15C	99.478000	23,800,000.00	23,772,300.25	23,675,764.00	-96,536.25	246,666.22
2222	PNC BANK NA	1.600000	1.622972	05/02/18C	99.882000	30,000,000.00	29,990,536.82	29,964,600.00	-25,936.82	486,891.58
2394	US TREASURY NOTE	1.125000	1.068586	06/15/18	100.098000	50,000,000.00	50,040,189.68	50,049,000.00	8,810.32	534,292.76
2592	FREDDIE MAC CALLAB	1.060000	1.060000	09/22/16C	99.610000	50,000,000.00	50,000,000.00	49,805,000.00	-195,000.00	530,000.00
2598	FREDDIE MAC CALLAB	1.000000	1.000000	12/29/16C	99.842000	50,000,000.00	50,000,000.00	49,921,000.00	-79,000.00	500,000.00
2269	TORONTO DOMINION B	1.750000	1.784038	07/23/18	100.157000	35,000,000.00	34,982,042.68	35,054,950.00	72,907.32	624,413.27
2324	TORONTO DOM BANK	1.750000	1.759103	07/23/18	100.157000	14,529,000.00	14,526,936.90	14,551,810.53	24,873.63	255,580.07
2622	FREDDIE MAC CALLAB	1.050000	1.072803	07/27/18	99.623000	50,000,000.00	49,982,369.87	49,811,500.00	-170,869.87	536,401.27

KING COUNTY TREASURY OPERATIONS
SEATTLE, WASHINGTON

P O R T F O L I O D E T A I L F I N A N C I A L A N A L Y S I S
AS OF 12/31/16

(MANFIN)

PAGE: 3

SORTING ORDER: MATD

RUN: 01/04/17 13:05:13

** FIXED INCOME **

INVSMT NUMBER	DESCRIPTION	INTEREST RATE	YIELD	MAT/CALL DATE	MARKET PRICE	CURRENT PAR	CURRENT BOOK	MARKET VALUE	UNREALIZED GAIN/LOSS	ANNUAL INCOME

2623	FANNIE MAE CALLABL	.875000	.977744	07/27/17C	99.190000	50,000,000.00	49,920,468.48	49,595,000.00	-325,468.48	488,871.77
2277	ROYAL BK CANADA	1.800000	1.804127	07/30/18	100.320000	25,000,000.00	24,998,426.08	25,080,000.00	81,573.92	451,031.81
2279	BANK OF MONTREAL	1.800000	1.847154	07/31/18	100.063000	20,000,000.00	19,985,600.00	20,012,600.00	27,000.00	369,430.83
2612	BANK OF MONTREAL	1.800000	1.275150	07/31/18	100.063000	20,000,000.00	20,162,799.45	20,012,600.00	-150,199.45	255,029.94
2653	Bank of Montreal	1.350000	1.352052	08/28/18	99.526000	30,000,000.00	29,999,005.76	29,857,800.00	-141,205.76	405,615.61
2714	US TREASURY NOTE	1.375000	.867782	09/30/18	100.375000	100,000,000.00	100,875,704.14	100,375,000.00	-500,704.14	867,781.95
2673	FREDDIE MAC	.875000	.895912	10/12/18	99.457000	75,000,000.00	74,972,314.48	74,592,750.00	-379,564.48	671,933.81
2711	FED FARM CREDIT	.850000	.915002	10/25/18	99.217000	98,101,000.00	97,986,632.39	97,332,869.17	-653,763.22	897,625.92
2659	US TREASURY NOTE	1.250000	.825593	11/15/18	100.152000	50,000,000.00	50,392,250.98	50,076,000.00	-316,250.98	412,796.26
2613	ROYAL BK CANADA	2.000000	1.355011	12/10/18	100.275000	25,000,000.00	25,306,260.59	25,068,750.00	-237,510.59	338,752.87
2713	US TREASURY NOTE	1.250000	.898009	12/15/18	100.109000	100,000,000.00	100,679,218.75	100,109,000.00	-570,218.75	898,008.82
1725	US TREASURY NOTE	1.500000	1.520113	12/31/18	100.582000	50,000,000.00	49,980,584.18	50,291,000.00	310,415.82	760,056.29
2445	BANK NOVA SCOTIA	1.950000	1.991060	01/15/19	100.097000	30,000,000.00	29,975,765.68	30,029,100.00	53,334.32	597,318.06
2522	US Treasury Note	1.125000	.885685	01/15/19	99.809000	50,000,000.00	50,240,018.65	49,904,500.00	-335,518.65	442,842.52
2451	TORONTO DOM BANK	1.950000	1.980013	01/22/19	100.154000	35,000,000.00	34,979,135.09	35,053,900.00	74,764.91	693,004.59
2660	US TREASURY NOTE	1.250000	.840709	01/31/19	100.059000	39,000,000.00	39,327,806.50	39,023,010.00	-304,796.50	327,876.43
2540	FANNIE MAE	1.000000	1.041990	02/26/19	99.378000	100,000,000.00	99,911,061.90	99,378,000.00	-533,061.90	1,041,989.97
2706	US TREASURY NOTE	1.625000	.960279	03/31/19	100.793000	100,000,000.00	101,471,279.13	100,793,000.00	-678,279.13	960,279.19
2521	Royal BK Canada	1.625000	1.643864	04/15/19	99.448000	40,000,000.00	39,983,243.83	39,779,200.00	-204,043.83	657,545.73
2732	US TREASURY NOTE	3.125000	1.225212	05/15/19	104.262000	50,000,000.00	52,211,464.09	52,131,000.00	-80,464.09	612,605.92
2614	WELLS FARGO BANK	1.750000	1.272829	05/24/19	99.517000	50,000,000.00	50,558,636.05	49,758,500.00	-800,136.05	636,414.58
2657	WELLS FARGO BANK	1.750000	1.405147	05/24/19	99.517000	25,000,000.00	25,201,596.40	24,879,250.00	-322,346.40	351,286.75
2532	US Treasury Note	1.500000	1.008230	05/31/19	100.461000	50,000,000.00	50,582,010.57	50,230,500.00	-351,510.57	504,114.78
2709	US TREASURY NOTE	1.625000	.973093	06/30/19	100.746000	100,000,000.00	101,601,803.62	100,746,000.00	-855,803.62	973,093.39
2727	US TREASURY NOTE	.750000	1.201343	07/15/19	98.547000	50,000,000.00	49,438,099.41	49,273,500.00	-164,599.41	600,671.53
2627	ROYAL BK CANADA	1.500000	1.539030	07/29/19	98.735000	50,000,000.00	49,951,120.54	49,367,500.00	-583,620.54	769,515.00
2608	TORONTO DOM BANK	1.450000	1.453116	08/13/19	98.563000	20,000,000.00	19,998,474.97	19,712,600.00	-285,874.97	290,623.29
2664	CAN IMPERIAL BK	1.600000	1.606170	09/06/19	99.048000	30,000,000.00	29,995,177.00	29,714,400.00	-280,777.00	481,850.93
2693	US TREASURY NOTE	.875000	1.034103	09/15/19	98.691000	100,000,000.00	99,577,235.39	98,691,000.00	-886,235.39	1,034,103.07
2695	US TREASURY NOTE	1.000000	1.000000	09/30/19	98.957000	100,000,000.00	100,000,000.00	98,957,000.00	-1,043,000.00	1,000,000.00
2565	PNC BANK NA CALLAB	2.400000	1.830387	09/18/19C	100.921000	15,000,000.00	15,228,942.62	15,138,150.00	-90,792.62	274,558.12
2568	PNC BANK NA CALLAB	2.400000	1.832954	09/18/19C	100.921000	5,000,000.00	5,075,968.18	5,046,050.00	-29,918.18	91,647.70
2703	FANNIE MAE	1.000000	1.091132	10/24/19	98.618000	100,000,000.00	99,748,658.14	98,618,000.00	-1,130,658.14	1,091,132.43
2002	US BANK NA OHIO CA	2.125000	2.144078	09/28/19C	100.361000	25,000,000.00	24,987,308.29	25,090,250.00	102,941.71	536,019.57
2121	US BANK NA OHIO CA	2.125000	2.005089	09/28/19C	100.361000	20,000,000.00	20,063,379.49	20,072,200.00	8,820.51	401,017.89
2729	FED HOME LN BANK	1.375000	1.382876	11/15/19	99.601000	35,000,000.00	34,992,281.43	34,860,350.00	-131,931.43	484,006.74
2490	US Treasury Note	1.500000	1.432685	05/31/20	99.695000	100,000,000.00	100,221,523.49	99,695,000.00	-526,523.49	1,432,685.42
695	FNR 2003-30 LB	5.000000	4.634180	03/25/32	106.523000	1,226,068.54	1,250,953.75	1,306,044.99	55,091.24	56,818.23
701	FNR 2003-33 PT	4.500000	4.255767	05/25/33	107.277000	1,734,380.50	1,759,270.36	1,860,591.37	101,321.01	73,811.19
702	FNR 2003-33 UP	4.500000	4.255767	05/25/33	105.802000	1,201,632.79	1,218,877.26	1,271,351.52	52,474.26	51,138.69
703	FNR 2003-33 PU	4.500000	4.255767	05/25/33	107.326000	1,520,433.00	1,542,252.53	1,631,819.92	89,567.39	64,706.09

G R A N D	T O T A L S	.973226	.938046	JAN 2018	99.944696	6,178,505,121.23	6,187,649,595.41	6,174,889,197.70	-12,760,397.71	57,941,709.07
=====										

Victoria Recovery Status as of 12/31/2016

Original Cost		\$51,937,149
Original Par	\$53,300,000	
Less Accrued not distributed	\$420,537	
Adjusted Par		<u>\$52,879,463</u>
Recovered to date	\$44,349,609	83.9%

Current Par Amount Outstanding	\$8,529,854
Current Cost Outstanding	\$7,587,540

Cash Receipts:		
	2008	\$7,990,692.29
	2009	\$6,910,588.46
	2010	\$5,443,668.21
	2011	\$7,793,105.01
	2012	\$4,820,226.87
	2013	\$3,388,703.17
	2014	\$3,696,981.20
	2015	\$2,778,796.49
	2016	\$1,526,846.94
	Total	<u>\$44,349,608.64</u>

**Impaired Pool
Holdings Report
12/31/2016**

Commercial Paper Issuer	Status	Current Book Value	Estimated Fair Value	Fair Value Adjustment
Cheyne Finance (1)	Restructured - Cash Out	787,502.14	507,750.00	279,752.14
Rhinebridge (1)	Restructured - Cash Out	84,407.60	84,407.60	-
Victoria Finance (VFNC Trust) (2)	Restructured - Receiving Monthly Cash Payments	8,529,854.36	5,245,813.00	3,284,041.36
Total		9,401,764.10	5,837,970.60	3,563,793.50

Fair Value Ratio	0.6209
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(1) After consulting with the County's financial advisor, the County choose to select the "cash out" option for the Cheyne and Rhinebridge restructurings. However, the Receivers for these programs held back a portion of the cash for various indemnifications. The fair values shown on this report represent the County's potential cash recovery from the amounts being retained by the Receivers. Rhinebridge may make one last small payment later this year.

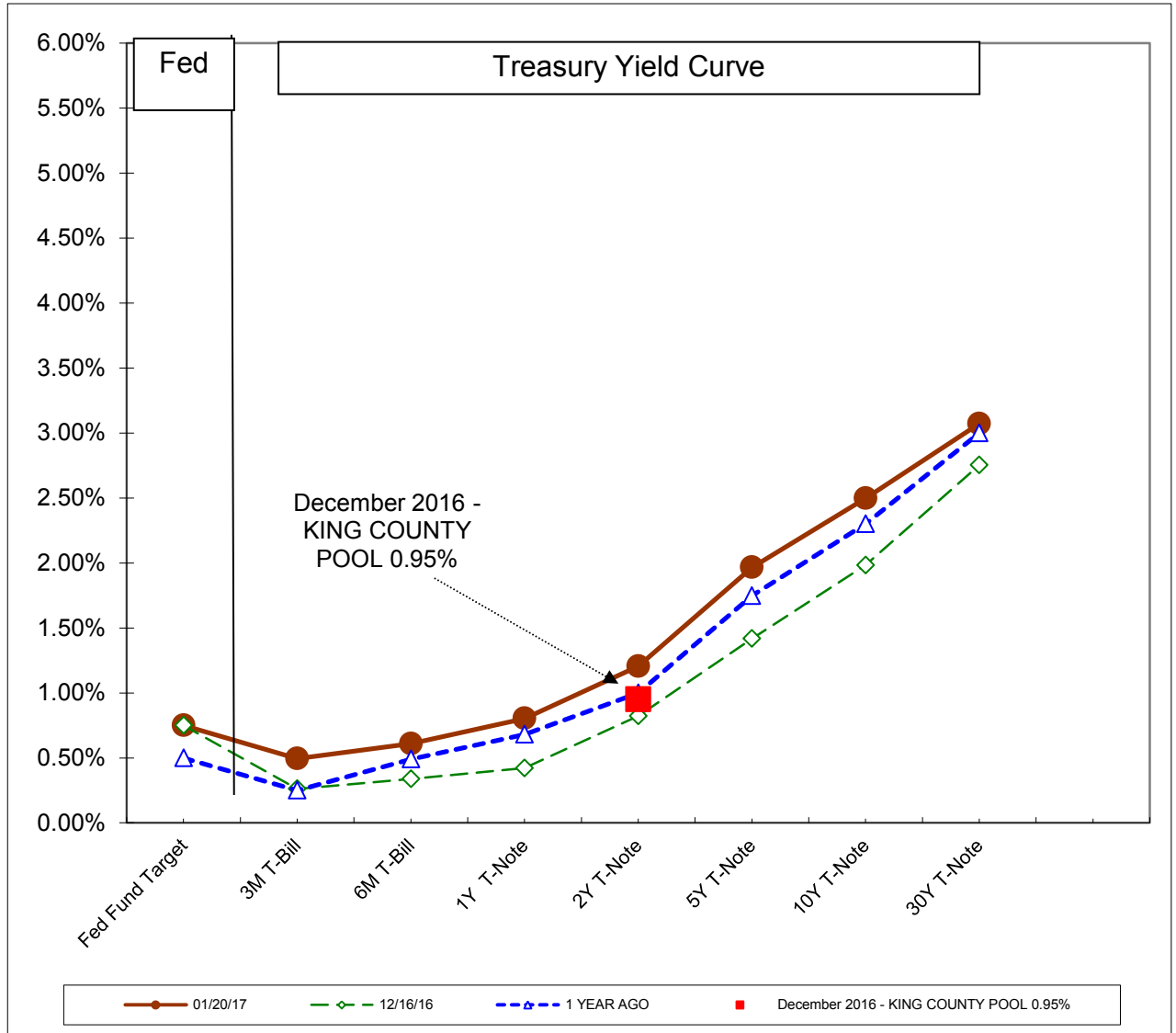
(2) During September 2009, the County completed the restructuring process for Victoria. Based on consultations with legal and financial experts, the County elected to participate in an "Exchange Offer" in which the County's pro rata share of assets in Victoria were transferred to a new company titled VFNC Trust. At the time of Victoria's restructuring the County's financial advisor estimated that by participating in the exchange offer that the overall recovery rate could be between 50 to 76 percent, and potentially higher. The VFNC Trust investment replaced Victoria in the "impaired pool" and it continues to make monthly cash distributions. It is expected that future monthly distributions will continue for at least 5 or 6 more years, or as long as the underlying securities continue to make cash payments. We do not foresee distributing any realized losses related to Victoria until it is apparent that no further cash flows will be forthcoming. Adding the cash recoveries through December and assuming that the asset could be sold at the assumed prices for the underlying securities, the current estimated total recovery would be approximately 94% of the original investment's adjusted par amount.

Combined Earnings History for Impaired and Non-Impaired Pools

	(A)	(B)	(A) + (B)
	<i>Distributed Realized Gains/Losses Resulting from Impaired Investments Purchased in 2007 ⁽³⁾</i>	<i>Total Pool Earnings Distribution</i>	<i>Net Pool Earnings Distributed</i>
YTD 2016	\$189,049	\$50,641,904	\$50,830,953
2015	(\$427,263)	\$33,344,087	\$32,916,824
2014	\$0	\$26,330,761	\$26,330,761
2013	\$0	\$24,331,721	\$24,331,721
2012	(\$1,204,894)	\$25,978,721	\$24,773,827
2011	\$0	\$29,270,651	\$29,270,651
2010	\$0	\$42,160,462	\$42,160,462
2009	\$0	\$71,036,470	\$71,036,470
2008	(\$73,296,907)	\$135,838,883	\$62,541,976
2007	\$0	\$199,099,971	\$199,099,971
2006	\$0	\$165,576,358	\$165,576,358

(3) Figures have not been adjusted for recoveries from legal settlements.

INTEREST RATE SUMMARY



	01/20/17	12/16/16	1 YEAR AGO
Fed Fund Target	0.75%	0.75%	0.50%
3M T-Bill	0.50%	0.26%	0.25%
6M T-Bill	0.61%	0.34%	0.49%
1Y T-Note	0.80%	0.42%	0.68%
2Y T-Note	1.21%	0.82%	1.00%
5Y T-Note	1.97%	1.42%	1.75%
10Y T-Note	2.50%	1.98%	2.30%
30Y T-Note	3.07%	2.75%	3.00%



King County Executive Finance Committee

Interfund Borrowing Report for EFC, Jan 25, 2017 (Dec-2016 period)

Below is a summary of the causes of the current deficit cash balances.

Funds listed in Black have a description of the cause of the deficit; funds listed in Blue have an EFC-approved loan in place.

Items in Green have not yet been analyzed or needs to be revisited; items in Red appear unusual in nature and should be discussed during today's meeting.

Interest on Interfund Loans - County Tier 2 Funds Paying Interest					
Item #	Fund No.	AVG Borrowed	Fund Name	Description	
APPRV'D A1	00-000-180-0	(13,353,951.84)	PUBLIC HEALTH	Approved interfund loan in place	
Pooled Tier 1 Funds with Negative Cash Balances					
Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description
F B1	00-000-121-0	(213,669.45)	640,033.84	SHARED SERVICES FUND	Pending transfer from 121-1
F B2	00-000-142-1	(95,874.21)	605,678.11	COMMUNITY SERVICES OPERATING	Few days timing difference, cash positive at end of month
B B3	00-000-156-1	(2,877,835.95)	(1,147,549.65)	KC FLD CNTRL OPR CONTRACT	Reimbursement from District has long approval process
B B4	00-000-349-0	(287,577.01)	(234,623.52)	FMD - PARKS FACILITIES REHAB	Pending revenue transfer
B B5	00-000-352-2	(94,827.97)	(49,582.08)	OS KC NON BND FND SUBFUND	Pending revenue transfer
A B6	00-000-357-1	(16,045,915.97)	(6,150,806.40)	KC FLD CNTRL CAP CONTRACT	Reimbursement from District has long approval process
D B7	00-000-364-2	(41,295.08)	(12,839.27)	PUBLIC TRANSP REVENUE FLEET	Pending transfer from Transit Capital
APPRV'D B8	00-000-390-1	(4,412,654.08)	(3,216,267.90)	SOLID WASTE CONSTRUCTION	Approved bridge loan in place
APPRV'D B9	00-000-395-1	(4,066,692.83)	(2,847,708.49)	BLDG REPAIR/REPL SUBFUND	Approved interfund loan in place + pending revenue collection
B B10	00-000-404-1	(172,835.98)	(152,745.36)	CONSTRUCTION AND DEMO PROG	Pending transfers from operating fund
Excluded County Funds with Negative Cash Balances - Tier 2 Funds Not Paying Interest					
Item #	Fund No.	Lowest Cash	Average Cash	Fund Name	Description
B C1	00-000-216-9	(23,789.57)	(17,370.11)	WA ARCHIVES LOC REC GRANT	Pending grant reimbursement
B C2	00-000-246-0	(2,518,546.25)	(1,346,577.90)	FED HOUSNG & COMM DEV FND	Pending grant reimbursement
D C4	00-000-699-0	(27,639.10)	(7,199.07)	ASSMT DISTRIBTN / REFUND	Pending special distribution

A: Reimbursement funds - reimbursements are collected periodically from other Agencies

B: Reimbursement funds - pay expenditures first, get reimbursed later, internal to 1 Agency

C: Subfund cash transfers - different subfunds within one Agency

D: Known accounting or cash transfer error

E: Anticipated seasonality of receipts

F: Timing issue of receipts and disbursements

Thanks - if you have questions please contact me at manny.cristobal@kingcounty.gov

Interfund Borrowings from Surplus King County Cash (Automated System)
12/31/16

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Fund Balance at Month-end ⁽¹⁾	Average Amount Borrowed ⁽¹⁾	Interest Paid in Current Month ⁽¹⁾	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-1030	County Road Fund	Interim funding to continue operating programs. Repayment from property tax collections.	Original Loan \$20,000,000 Revised Amt: \$35,000,000 Revised Amt: \$30,000,000 Revised Amt: \$25,000,000	\$18,484,171	\$0	\$0	1/31/2011 12/31/2011 12/31/2013 12/31/2014 12/31/2016	Pool Rate	Safety & Workers Compensation Fund 5420	7/28/2010 1/26/11 12/7/11 12/5/12 12/4/13 12/3/14
King County	00-000-1341	DPER Abatement Sub-Fund	Clean-up construction materials at processing center on MLK Way South. Repayment from sale of property	Original Loan \$400,000	\$134,104	\$0	\$0	12/31/2018	Pool Rate	Safety & Workers Compensation Fund 5420	6/24/2015
King County	00-000-1396	Risk Abatement Fund	Bridge loan until bonds can be issued.	Original Loan \$10,500,000	(\$10,494,224)	\$1,349,469	\$1,089	6/30/2017	Pool Rate	Safety & Workers Compensation Fund 5420	12/7/2016
King County	00-000-1800	Public Health Fund	Unmatched reimbursements. Repayment from grant billings, grantor payments, and environmental health permit payments.	Original Loan \$12,000,000 Revised Amt: \$19,000,000 Revised Amt: \$26,000,000 Revised Amt: \$30,000,000 Revised Amt: \$40,000,000	(\$11,526,164)	\$13,440,205	\$10,844	7/31/2013 10/31/2013 4/30/14 1/31/2015 1/28/2015 12/31/16	Pool Rate	Safety & Workers Compensation Fund 5420	5/22/13 7/24/13 12/4/13 5/28/14 12/26/14 1/28/15 12/2/15
King County	00-000-3310	Long Term Lease Fund	Support Phase 4 of King Street Center work space consolidation. Repayment from lease payments.	Original Loan \$2,000,000	(\$3,153,395)	\$4,325,579	\$3,490	12/31/2023	Pool Rate	Safety & Workers Compensation Fund 5420	12/7/2016
King County	00-000-3781	KCIT Capital Fund	Fill gap for Mainframe and Unified Communication project not fully covered by bond proceeds.	Original Loan \$5,200,000	\$5,816,247	\$0	\$0	12/31/2019	Pool Rate	Safety & Workers Compensation Fund 5420	6/25/2014
King County	00-000-3850	Road Facilities Construction	Advance payments required for Summit Pit sale. Repayment from Summit Pit property sale proceeds.	Original Loan \$5,000,000 Revised Amt: \$7,000,000 Revised Amt: \$10,000,000 Revised Amt: \$4,000,000	\$14,405,654	\$0	\$0	1/31/2011 12/31/2011 12/31/2012 12/31/2014 12/31/2016	Pool Rate	Safety & Workers Compensation Fund 5420	7/28/2010 1/26/11 12/7/11 12/5/12 2/27/13 12/4/13 12/3/14
King County	00-000-3860	Road's Capital Construction	Provide uninterrupted funding for capital improvement program. Repayment from property tax receipts and Seattle South Park Bridge project.	Original Loan \$30,000,000 Revised Amt: \$15,000,000 Revised Amt: \$20,000,000	\$25,136,416	\$0	\$0	1/31/2011 12/31/2011 12/31/2012 12/31/2014 12/31/2016	Pool Rate	Safety & Workers Compensation Fund 5420	7/28/2010 1/26/11 12/7/11 12/5/12 12/3/14
King County	00-000-3901	SWD Construction Fund	Bridge loan until bonds can be issued.	Original Loan \$15,000,000	(\$4,412,654)	\$3,322,132	\$2,680	6/30/2017	Pool Rate	Safety & Workers Compensation Fund 5420	8/24/2016
King County	00-000-3951	Building Repair & Replacement Fund	Support Phase 2 of King Street Center work space consolidation. Repayment from lease payments.	Original Loan \$2,275,600 Revised Amt \$4,976,000	(\$3,263,229)	\$3,747,030	\$3,023	12/31/2020	Pool Rate	Safety & Workers Compensation Fund 5420	5/27/2015 1/27/16
King County	00-000-5531	KCIT Services Fund	Establish an escrow account for data center bond defeasance. Repayment from existing KCIT rates.	Original Loan \$8,100,000	\$4,220,258	\$0	\$0	12/31/2023	Pool Rate	Safety & Workers Compensation Fund 5420	2/24/2016
King County	10-063-0010	Renton Regional Fire Authority	The RRFA is a newly established entity and will incur expenses prior to initial tax and FBC collections.	Original Loan \$5,170,000	\$2,163,048	\$0	\$0	12/31/2018	Pool Rate	Safety & Workers Compensation Fund 5420	9/28/2016

Interfund Borrowings (Direct Loans)
12/31/16

Borrowing Entity	Borrowing Fund Number	Fund Name	Reason For Loan & Repayment Method	Loan Amount Authorized	Loan Outstanding at Month-end	Fund Balance At Month-end	Interest Paid	Term of Loan	Loan Rate	Lending Entity	Date of EFC Approval
King County	00-000-2140	Miscellaneous Grants Fund	Cash flow. Future grant reimbursement.	\$700,000	\$300,000	\$3,980,358	\$0	Open	0%	King County General Fund	11/26/1975
King County	00-000-3160	Parks and Recreation Open Space Construction Fund	Borrowing is necessary to fulfill the legislative intent of Ordinance 17759 - a use agreement with the Ravensdale Park Foundation. Repayment from REET II revenue.	\$1,475,000	\$475,000	\$792,197	N/A	12/31/2017	Pool Rate	Parks and Recreation Fund (1451)	3/26/2014

(1) Preliminary numbers because the general ledger has not been closed for December due to 2016 CAFR requirements.